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28 June 1956

MEMORANDAM FOR: Director of Central Intelligence

SUBJECT: Possible Realignment of Menni Socialists

- 1. The development of a broad based democratic socialist party, incorporating the bulk of the PSDI and PSI voters, would obviously be a great advance in Italian politics. It would meet the crying need (noted in NIE 24-56, "The Political Outlook in Italy", par. 42) for a democratic alternative to the monopoly of political power by the Christian Democratic coalition.
- 2. The recent administrative elections in Italy, together with the current furor over the Khrushchev report, suggest the advisability of re-examining the position of Pietro Henni and the Italian Socialist Party (PSI). There seems to be a real possibility that Henni would be prepared to abandon his unity of action pact with the Italian Communist Party (PCI), if not openly and formally at least de facto. Henni is essentially an opportunist, seeking political power. The crucial question is whether, to achieve this goal, he would be willing to cast his lot decisively with democratic socialism in the sense in which that term is understood by the European members of the Socialist International (Comisco).
- 3. It would be rash to affirm, at this stage, that he would be willing to take such a step. However, in his recent Avanti: article on the Khrushchev report, Nenni does appear to equate "democracy" with "political liberty" and with the "consent of the majority of the people". If this is sincerely meant, it is apparent that Nenni's political position is departing fundamentally and perhaps irreversibly from that of Togliatti and the Communists.
- 4. The question of Menni's motivation, and the terms on which he might side with democratic socialism have been widely discussed, with inconclusive results. It is our belief that the matter should now be canvassed directly with a view to decisive clarification. There is evidence that Menni would be receptive to some such approach. Quite possibly negotiations by the Italian parties are actually going on behind the scenes. At a minimum, it would appear that the United States government, preferably through this Agency, should make every effort to find out whether such negotiations are taking place.
- 5. A well qualified authority (with whom the Agency has a professional relationship) has recommended that negotiations be undertaken to determine Menni's "price". He does not believe that the US government should play a direct open role.

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